NOMINATION OF ADM. JAMES D. WATKINS TO BE CHIEF OF NAVAL OPERATIONS

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

NOMINATION OF

ADM. JAMES D. WATKINS TO BE CHIEF OF NAVAL OPERATIONS

MAY 19, 1982

Printed for the use of the Committee on Armed Services

U.S. GOVERNMENT PRINTING OFFICE
95-589 O WASHINGTON: 1982

S201-19

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NOMINATION OF ADM. JAMES D. WATKINS, U.S. NAVY, TO BE CHIEF OF NAVAL OPERATIONS

WEDNESDAY, MAY 19, 1982

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

The committee met, in open session pursuant to notice, at 10:05 a.m., in room 212, Russell Senate Office Building, Senator John Tower, chairman, presiding.

Present: Senators Tower, Thurmond, Goldwater, Warner, Brady, and Stennis.

Staff present: Rhett B. Dawson, staff director and chief counsel; Francis J. Sullivan, minority staff director; James F. McGovern, general counsel; Paul C. Besozzi, minority counsel; Christine E. Cowart, chief clerk; Louis W. Arny III, Richard D. Finn, Frank J. Gaffney, George K. Johnson, Jr., and José E. Martinez, professional staff members; Mark B. Robinson, research assistant; and Tamara L. Jones, staff assistant.

Also present: Dennis P. Sharon, assistant to Senator Goldwater; Buzz Hefti, assistant to Senator Warner; Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Don Imgram, assistant to Senator Quayle; Colleen Getz, assistant to Senator Brady; Frank Krebs, assistant to Senator Cannon; Arnold Punaro, assistant to Senator Nunn; Greg Pallas, assistant to Senator Exon; and Peter Lennon, assistant to Senator Levin.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order. We have convened this morning to consider the nomination of Adm. James Watkins to be the Chief of Naval Operations and Gen. Charles A. Gabriel to be the Chief of Staff of the Air Force. We will first hear this morning from Admiral Watkins.

I want to congratulate you, Admiral Watkins, on your selection by the President to this critically important post. During the course of your tenure you will embark on a program to vastly expand and modernize our Navy. We are convinced that the United States is heavily dependent on the sea and must retain naval supremacy to be able to support our foreign policy objectives, our vital interests abroad and protect our sea lanes.

I would like to first defer to Senator Stennis for any comment he may have.

Senator STENNIS. I thank you, Mr. Chairman. I am here this morning to pay my respects to the officers involved in these two positions, our Joint Chiefs and also I want to commend these gentlemen. One important aspect about the services is that they always have someone ready to turn to to pick up the banner and move forward.

As far as I can see, there is evidence here the President was looking for merit and outstanding service in these appointments. I am glad to support each of them. I may have a few questions later.

Chairman TOWER. We have one of our colleagues here on the committee who wants to present Admiral Watkins. He is the distinguished former Secretary of the Navy, Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. It is a pleasure for me to appear before the committee today to introduce Adm. Jim Watkins, who has been nominated by the President of the United States to be the Chief of Naval Operations. I have personally known this nominee for over a decade and I can say unequivocally that his experience, his outstanding naval record of over 35 years, and his professional demeanor are ideally suited to meet the responsibilities of the office of Chief of Naval Operations.

I first met Admiral Watkins in 1970. At that time he was captain in charge of the Nuclear Power Training Branch in the Bureau of Naval Personnel. I remember one Saturday afternoon he came over to my office. We sat down and drew up a draft piece of legislation to provide for hump in the junior officer ranks and additional pay because at that time we were losing far too many young men in nuclear power and submarine force.

Later he made flag rank in 1971 and became the first flag officer who served as Director of Enlisted Personnel in the Bureau of Personnel. One year later, Admiral Watkins became the Chief of Naval Personnel in April 1975. I mention his extensive personnel experience because manning the fleet in the mid-1980's will be one of the CNO's most serious tasks. The admiral is well suited to meet that challenge.

The admiral is a nuclear power trained officer and has extensive experience in both submarines and surface nuclear ships. As a nuclear-powered submarine officer he commanded the U.S.S. *Snook* from 1964 to 1966. He was also executive officer of our first nuclear-powered cruiser, the U.S.S. *Long Beach*. He served closely with Admiral Rickover and, again, his nuclear power experience will serve the Nation well.

Fleet operations which strain our Navy today are well known to the admiral. He comes to this post from command of the Pacific Fleet with full knowledge of the international demands on our people and on our ships. I think it is significant to point out that Admiral Watkins was commander of the cruiser/destroyer force in the Seventh Fleet in 1974 which deployed to the Indian Ocean before most Americans realized the importance in that vital area.

Shifting to the Mediterranean area, the admiral served as commander of the U.S. Sixth Fleet with added NATO duties as Commander, NATO Striking Support Forces, Southern Europe, before becoming Vice Chief of Naval Operations in 1979.

In summary, the admiral is a sailor's admiral. He has been on the cutting edge of policies to better the quality of life for Navy people and their families. He has the nuclear engineering background to know

the hardware issues, and also the operational experience to blend crew and hardware into the finest Navy team in the world.

Finally, Mr. Chairman, he is a proud family man. You have just met his wife and two of their six children. It is a great privilege for me, Mr. Chairman, to appear on his behalf.

Chairman TOWER. I think before we proceed, Admiral Watkins, we would like to recognize your family members who are here. Sheila, would you stand? This is Admiral Watkins' wife, his daughter, Katherine, and his son, James, if they would stand. We are delighted to have you here.

I will insert in the record your nomination reference and biographical sketch.

[The nomination reference and biographical sketch follow:]

NOMINATION REFERENCE

SENATE OF THE UNITED STATES,
April 7, 1982.

(Under Authority of the Order of the Senate of April 1, 1982)

Ordered, that the following nomination be referred to the Committee on Armed Services:

Admiral James D. Watkins, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of four years pursuant to Title 10, United States Code, Section 5081(a) and (b).

Admiral Watkins, having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of Title 10, United States Code, Section 601, for this appointment while so serving.

BIOGRAPHICAL SKETCH OF NAVAL SERVICE FOR ADM. JAMES DAVID WATKINS, U.S. NAVY

March 7, 1927, born in Alhambra, California.
July 10, 1945, Midshipman, U.S. Naval Academy.
June 3, 1949, Ensign.
June 3, 1951, Lieutenant (junior grade).
July 3, 1954, Lieutenant.
July 1, 1959, Lieutenant Commander.
February 1, 1964, Commander.
August 1, 1968, Captain.
September 27, 1971, designated Rear Admiral while serving in billets commensurate with that grade.
July 1, 1972, Rear Admiral.
April 11, 1975, designated Vice Admiral while serving in billets commensurate with that grade.
September 18, 1979, designated Admiral while serving in billets commensurate with that grade.
Service continuous to date.

YEARS OF ACTIVE SERVICE

Over 32.

Assignments and duties (last 10 yr)	From—	To—
Bureau of Naval Personnel (Director, Enlisted Personnel Division)	September 1971	April 1972.
Bureau of Naval Personnel (Assistant Chief of Naval Personnel for Enlisted Personnel Control).	April 1972	August 1973.
Commander, Cruiser-Destroyer Group ONE	August 1973	April 1975.
Office of CNO (Deputy CNO Operations (Manpower)/Chief of Naval Personnel, Bureau of Naval Personnel).	April 1975	September 1978.
Commander 6th Fleet/ADDU: Commander, Striking Force Southern Europe	September 1978	September 1979.
Vice Chief of Naval Operations	September 1979	July 1981.
CINCPACFLT/ADDU: Naval Component Commander of the U.S. Pacific Command.	July 1981	To date.

MEDALS AND AWARDS

Legion of Merit with two Gold Stars in lieu of subsequent awards; Bronze Star Medal; Navy Commendation Medal; Navy Unit Commendation awarded U.S.S. *Snook* (SSN–592); Navy Unit Commendation awarded U.S.S. *Long Beach* (CGN–9); China Service Medal; World War II Victory Medal; National Defense Service Medal with one bronze star in lieu of second award; Korean Service Medal; Vietnam Service Medal with four bronze stars; United Nations Service Medal; and Vietnam Campaign Medal with Device (1960–1973).

MILITARY AND CIVILIAN SCHOOLS/SPECIAL QUALIFICATIONS

BS (Naval Science) Naval Academy, 1949; awarded Master of Science Degree in Mechanical Engineering by Naval Postgraduate School, Monterey, 1959; Language Qualification: French (Knowledge).

Chairman TOWER. Admiral Watkins, you may proceed in any way that you see fit. If you have prepared a statement, we can include it in the record and you may summarize it or you may present it to the committee.

Admiral WATKINS. Thank you, Mr. Chairman. I have a very brief oral statement.

Chairman TOWER. Admiral Watkins.

STATEMENT OF ADM. JAMES DAVID WATKINS, U.S. NAVY

Admiral WATKINS. Mr. Chairman, it is indeed a special honor for me to appear before your committee this morning as the President's selection to succeed Admiral Hayward as Chief of Naval Operations. I want to thank Senator Warner very much for his gracious introduction.

If confirmed, I look forward to working with this committee and Congress as a whole, as well as the Joint Chiefs of Staff. As you are aware, I have worked with most members of this committee while serving both Admiral Hayward for 3 years, first as Vice Chief of Naval Operations and then as Commander-in-Chief of the Pacific Fleet since last July, and Admiral Holloway, his predecessor, as Chief of Naval Personnel for over 3 years, from 1975 to 1978.

In fact, only this past March 5, I appeared before the Senate Preparedness Subcommittee to testify on the readiness posture of the Pacific Fleet. On that occasion I described my priorities and sense of where we stand, the positions and priorities in synchronization with those reflected in the President's budget submission, as well as the subsequent supporting testimony given by the Secretary of the Navy and the Chief of Naval Operations for the Navy as a whole.

Therefore, while preserving the right to recommend changes when necessary for an improved national security posture and a more responsive Navy-Marine Corps team, I would not anticipate radical change from the course set by what I feel have been steady hands on the Navy's helm during the past several years. I have been a key adviser to these superb two Chiefs of Naval Operations, helping them chart what I believe has been the right Navy course.

Next, I would like to assure the committee that I fully understand the responsibilities of the Chief of Naval Operations—acting as a member of the Joint Chiefs of Staff, which by administrative directive takes precedence over all other duties, acting as principal adviser to

the President, Secretary of Defense, and Secretary of the Navy on the conduct of war in accordance with title X of the Code. And I am fully aware of the CNO's obligations to the Congress.

So if confirmed as the next Chief of Naval Operations, I pledge my full commitment to carry out these responsibilities and obligations. I will also continue to do my utmost with a sense of near-term readiness urgency to accomplish our basic mission of providing the American people combat-ready units in both peace and war.

Finally, when the Commander in Chief asked me if I would be willing to serve him as the Chief of Naval Operations, I accepted the awesome challenge with a deep sense of humility and honor, and with full recognition of my own human frailties. I will do my very best to serve well.

I will now be pleased to answer any questions you may have.

Chairman TOWER. Thank you, Admiral. Senator Stennis?

Senator STENNIS. Mr. Chairman, I want to mention some points to Admiral Watkins. With as much unrest as there has been throughout the world there is nothing more important than our Constitution which makes it clear that civilian authority will always be supreme.

That is easy to write down, but that has lasted 200 years in our form of government. One of the things that impressed me since I have been here—and I am a lawyer and love the Constitution—is that there is no tendency, no rumors, nothing that is contrary to that provision of our law and the principal basis of our authorized government. It just does not exist.

I have been around here when there were some giants walking the Earth—General Marshall. General Marshall was Secretary of State when I came here and later became Secretary of Defense. We had to change the law to make him eligible. As you know, the war in Korea broke out. The man was not only respected, he was almost revered. And Douglas MacArthur—right here in this room—he accused him of wanting to take over the civilian part of the Government. I am satisfied that there was not a word of truth in that. He was such a strong-willed man.

General Eisenhower became President. All of these were military men. I just mention that for the benefit of those who might not have thought about it much. It is a great tribute to the military men and to the Academies, too. Making power supreme is one of the pillars of our strength. I know that you will continue this tradition. Is that correct?

Admiral WATKINS. Yes, sir, that is correct. I strongly believe in the provisions of the Constitution.

Senator STENNIS. I know you can keep the ships in good shape. Senator Tower.

Chairman TOWER. Senator Thurmond, do you have any questions?

Senator THURMOND. Admiral Watkins, we are glad to have you. I would just like to ask a few questions. Because the Reserve components provide approximately 30 percent of the total force and do so in a very cost-effective manner, what role do you foresee for the Naval Reserve in the next few years?

Admiral WATKINS. I see a very improved and strengthened role for the Naval Reserve in the Navy during the next few years, Senator

Thurmond. As you know, just a year ago we embarked on a significant improvement in our surface reserve. As of this year we have transferred two relatively new 1052-class destroyers into the surface reserve. We plan to transfer up to 24 of this class plus our new FFG–7 *Oliver Hazard Perry* class guided-missle frigates into the Reserve over the next several years and I think that is one major contribution.

In addition, we intend to modernize our naval air arm in the Reserve and move our modern aircraft in where we now have relatively obsolete aircraft. For example, we now have the A–7B, which is being phased out because it is becoming an obsolete aircraft. We hope to phase in portions of the F A–18 into our air wing, put in the E–2C early warning, long-reach radar aircraft in lieu of the E–2B, which has limitations.

We intend to go to the C–9 instead of the C–118 logistics airlift aircraft. We intend to continue with our weekend away training, which has brought the individuals in the Reserve closer to the units to which they will be assigned in wartime, improve our shore training with our simulators, damage control trainers, and the like which we are now putting in the Reserve.

I think the total Navy force is coming alive. There was some rhetoric without much substance a few years ago. I believe that has changed. I did part of the architectural work along with Admiral Hayward to set this new course for the Reserve which I think is proper and cost-effective for the United States.

Senator THURMOND. I am glad to hear you make the statement you have about the Reserve. Equipment modernization appears to be the greatest problem plaguing all Reserve components, I believe. Is it not?

Admiral WATKINS. It is one of our major problem areas, Senator Thurmond—not necessarily the largest but certainly in the case of the Reserve it is essential that we modernize our Reserve Force.

Senator THURMOND. Now for several years the size of the Naval Selected Reserve was quite an issue here between DOD and the Congress. Due primarily to congressional insistence, the ability appears finally to have been approved and some personnel growth in the Naval Reserve is now taking place. I hope that the plan that you mentioned can be carried out.

What is the strength of the Naval Reserve now?

Admiral WATKINS. Just a minute, Senator Thurmond.

Senator THURMOND. The Navy manpower mobilization system recommended 121,000.

Admiral WATKINS. Today, Senator Thurmond, we have approved for fiscal year 1982, 93,440 in the Reserve components, with the Selected Reserve requirements up to 112,428. Our goal, of course, is to move toward the requirements at the maximum rate possible consistent with our ability to recruit into the Selected Reserve. Therefore we have an unfunded liability right now of nearly 19,000 selected reservists. Our requirements, I believe, now are clear and recognized through what has been called the NAMMOS [Navy Manpower Mobilization System] Reserve Study. This study has gone on for a number of years and has now been adopted by the Department of Defense.

I believe all are on-board on the results of the study. Over the next 5 years, 1983 through 1987, we will be moving to 121,000 as the require-

ments, and our ability to achieve that may be restricted by recruiting inabilities. But we think we can obtain at least 100,000 of that, which is a rather significant departure from our rather steady state 87,500—which has been the case over the past several years.

Senator THURMOND. A few years ago a great deal of confusion and tumult occurred in the Navy Reserve when the Navy attempted to change the existing full-time management policy. Eventually the Congress determined that the officer TAR program was the most effective way to manage the Naval Reserve and directed the Navy to retain the program.

As the Chief of Naval Personnel at that time, I believe you supported the phasing out of the TAR officer program. What are your current thoughts as to the best way to effect full-time management of the Naval Reserve?

Admiral WATKINS. Yes, sir. I was Chief of Naval Personnel at the time the study was conducted and, as you recall, we had members of the training and administration of Reserve, the TAR officer personnel, as part of that study. The attempt at that time was to move substantively toward what we called the total force concept. This was to bring the regular officers of the Navy onboard with the Reserves and be part of the management of that Reserve corps rather than separating them out as a corps by themselves.

It was an attempt to integrate. And, as you recall, that addressed TAR officers, not the TAR enlisted. The study specifically excluded TAR enlisted, which is a very significant part of our naval air arm and becoming even more so with the new shift to the strength of surface reserve.

That was at a time when we felt that we could meet the end strength for the Navy and retain the officers necessary to put them into management positions in the Reserve and properly train them to do so. That was also at a time, shortly thereafter—I believe now we are talking 1977–78 timeframe—that we seemed to plummet downward in our ability to retain officers in the U.S. Navy. We simply could not achieve the objectives and, therefore, it was essential that we keep the TAR officers in the reserve management positions.

But we did bring aboard a number of selected reservists and put them on active duty in key reserve management positions, which was an attempt, again, to bring the Reserves and the regulars in closer harmony in peacetime.

At the present time, I know of no attempt to phase out the TAR officers.

Senator THURMOND. Admiral Watkins, quite a number of people, a number of prominent people, have concluded that the Chief of Naval Reserve might operate more effectively if headquartered in Washington. I would like to know if you believe the Chief of Naval Reserve should be moved to Washington or should remain in New Orleans, and could you give us your reasons for your decision?

Admiral WATKINS. Senator Thurmond, I almost hesitate to answer that question. It has come up a number of times. I was just in New Orleans delivering a speech for Armed Forces Day in which I was essentially threatened that if I ever took the Chief of Naval Reserve out of New Orleans that they would do everything in their power

to see that those programs that I had on Capitol Hill would be discouraged by the Congress.

On the other hand, there are those who tell me that unless I bring the Chief of Naval Reserve to Washington, there will be significant pressure brought to bear on me against Navy programs in Washington.

I do not know which way to answer that, Senator Thurmond.

Senator THURMOND. Well, if you get baffled over it, Senator Warner of Virginia would like to have it and South Carolina would like to have it.

Chairman TOWER. I was thinking of Corpus Christi Naval Air Station. [Laughter.]

Senator THURMOND. I knew we would soon hear from the Chief Petty Officer.

Senator WARNER. Well, being the one who sent him down there, I think the ghost of Mr. Hebert would come out to haunt us.

Senator THURMOND. Well, Admiral, I want to congratulate you on your appointment. I think the President has made a good selection and we will be glad to cooperate and try to help you all we can.

Admiral WATKINS. Thank you, Senator.

Senator THURMOND. Thank you, Mr. Chairman.

Chairman TOWER. Senator Goldwater?

Senator GOLDWATER. I have no questions, Mr. Chairman. It is a great honor for me to vote for this gentleman. I have known him a long time and he is outstanding.

Admiral WATKINS. Thank you.

Chairman TOWER. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Admiral, there has been a considerable amount of concern here in the Congress and across the Nation about the naval experience on both sides in the Falkland Islands conflict. Popularly now we often use the term, "lessons learned from the Falklands." My own studies of that situation, together with consultations with you and others, have indicated that we anticipated incidents, such as were witnessed in the Falklands many years ago.

My own feeling is that in no way have those naval tragedies influenced in a negative way the need for a greater naval strength for the United States. Would you comment with respect to your views on the survivability of ships at sea today, in view of the advancement in technology, particularly in the area of missile warfare?

Admiral WATKINS. I thank you for that question, Senator Warner, because I think it is one that needs to be aired. It is being discussed in a healthy debate right now and I think it is very appropriate for me to comment.

A number of years ago, the Navy recognized because of our excellent intelligence resources that we had to move expeditiously in our tactical fighting capability to assure that missiles could not be launched before we had the opportunity to destroy the launching platform. This was the objective in our long-range Navy goals, because once the missile is released it becomes a very difficult and vicious device that is hard to bring down.

Nevertheless, we expect that some may come through the various layers of offense and defense in our battle group system. We also de-

signed, therefore, close-in weapon support systems. We have those in the fleet today on our principal combatants and going on at a rapid rate throughout the Navy to all other combatant ships.

We also, at that time, embarked on a concept of operations in the form of carrier battle groups which are a formidable naval presence at sea, a multidimensional capability that can deal with air threats, with surface threats, with subsurface threats and project power at the same time.

Let me give you just a brief example of what I mean. Recently a joint exercise called Team Spirit was conducted on the east coast of the Republic of Korea. We do this annually. One of our carrier battle groups was in the Sea of Japan at the time. We were conducting an exercise to demonstrate our ability to carry out the contingency plan in support of South Korea.

As a consequence of that, our tactical aircraft were making strikes on targets in South Korea as part of the exercise. At the same time we were projecting power ashore. We had real Soviet reconnaissance aircraft, Bear and Badger aircraft, coming down from the Vladivostok area. We routinely send out fighters to intercept them at about 200 miles. There is not a carrier battle group in the Navy today that is satisfied with anything less. That is our goal, and we will achieve it.

So that is the first line of defense in what we call the outer air battle, and it is pretty important at sea. The tactical air concept at sea has not been disproven at all. In fact, it has been proven almost every day and had, as the editor of Janes Fighting Ships, People magazine this week said, had the United Kingdom had the proper tactical air at sea, with their early warning E–2C equivalent out there to pick up that aircraft at 200 miles, they would have had that aircraft long before it could have ever fired the missile. That is the way our Navy fights our battle groups.

We have an inner defense zone if we fail in the outer defense zone, which is primarily made up of E–2C and Tomcat Phoenix portion of the F–14's. It is the inner battle. The inner battle consists of additional fighter aircraft. It also consists of the long-range surface-to-air missiles from our sophisticated cruisers and guided missile destroyers—60-to-90-mile capability with a missile. At this point, the enemy is still outside of effective launch range.

If we are talking Exocet, for example—which is the missile that hit the Sheffield—if that fails, we have the close-in system called NATO Sea Sparrow. If that fails, we have the close-in weapons system, which is a very fine system, proven time and time again—3,000 rounds per minute rapid fire automatic system that can pick up the smallest missile about the size of a bee and pellet it with expended uranium slugs. These are highly effective.

If that fails, we have well built ships which are damage control oriented, heavily compartmented, and have a capable, trained crew that can deal with the kinds of damage that the Sheffield took when she took it in her vital space which controlled all damage aboard ship and unfortunately hit in that particular area, which almost made damage control impossible.

So, yes, ships can be hit. However, all of our studies, our war games, the way we run our tactics, and the way we operate multiple battle groups at sea, would preclude even in the largest projected Soviet

raid coming through. We are moving aggressively to take our air battles out even further in the days ahead by the programs that are now started in the 1983 budget.

Senator WARNER. Admiral, also it is my understanding that at this very moment senior Navy officials are working in this area to determine where you need improvement.

Admiral WATKINS. That is absolutely the case, Senator Warner. We will never let a situation like this go by without further study. I would like to say at this point that there is no one in the Navy that believes we have seen a watershed in naval history at the Falkland Islands.

We could have predicted the outcome in our own war games, knowing the impact of lack of tactical air of the type that we have, all-weather, long-reach, and multiple missions—that come off our large deck carriers. We could have predicted it. Had a missile been launched there would be a high probability of hit. These missiles are good today. Our missiles are good. The Soviet missiles are good.

So it did not surprise us. In fact, it did not surprise the United Kingdom either under the circumstnces that prevailed. HMS Sheffield did not have good solid contact until the missile was launched. Then it is too late and they would be the first to admit that, sir.

Senator WARNER. One last question. Under the able leadership of Chairman Tower, the Senate passed a very substantial increase in defense spending, much of it allocated to the building up of the U.S. Navy toward the 600-ship level. In the context of that consideration by the Senate, we once examined this high/low mix, a phrase coined by Admiral Zumwalt, as to whether or not we should be moving in the direction of larger ships or perhaps moving in the direction of smaller ships, hereby enabling us to get greater numbers at a relatively lesser cost.

What is your feeling toward the high/low mix concept?

Admiral WATKINS. I think it a simplistic way to look at a Navy that faces the Soviet threat. We are not building a Navy of small ships or large ships because we want one or the other. We are building a combination of ships that have a variety of capabilities which, when brought together in the battle group concept we have, can prevail at sea against the Soviet navy that exists now and into the 1990's. We must continue to build the kind of ships we have and all the discussion on cheap, light, large numbers of ships is irrelevant to that task.

Large numbers of ships at sea are just as vulnerable, if they are dispersed widely, to a single missile as one ship inside a concentrated group; so we do not see that as being the answer. I think it is important that we consider that we have the potential for going against a very sophisticated enemy.

We have only a few blue chips left on our table of superiority—our superior tactical air at sea. This is as viewed through Soviet eyes. I think we have to think in terms of what do the Soviets think about the U.S. Navy. What are they afraid of? What is their biggest worry? What would they like to see deleted? Tactical air at sea is No. 1.

Our superior SSN's that are quieter and better than theirs—probably to 5 to 8 years in technology. We must never let that go. We have a superior cruise missile coming on line which the Soviets cannot emulate. We must not allow that to be dissipated anywhere, either in

forthcoming discussions or otherwise, because it is another blue chip that we have that they do not and they are very worried about it.

We have an amphibious force that they cannot match. We must always keep that Navy-Marine Corps team solid because that is another advantage we have. We have some elements of technology left that we are working on as long as we do not transfer it to other countries so that it can get into the Soviet hands.

This is all we have left. The very worst thing we could do now is send a signal to the Soviet Union that we are going to remove any one of those key chessmen from the chessboard and replace them with pawns. I really believe it would be a very serious mistake for this country. We have the confidence now in the Navy that we could deal with that Soviet threat. Maintaining our technological progress is very expensive, but it is a price of peace and I do not know any other answer for it, Senator Warner.

Senator WARNER. Last question, Admiral. From lessons learned in the Falklands, can we anticipate greater emphasis by the Soviets now on moving toward tactical air at sea and on building large carriers comparable to the *Nimitz* class?

Admiral WATKINS. Our intelligence information says there is very little question that they are building a 55,000-ton to 70,000-ton aircraft carrier that will probably have conventional takeoff and landing capability and carry the maximum payload. They will probably move away from the Yak Forger type of aircraft and into something that is comparable with ours.

After all, they have copied everything that we have done. When we had an idea like titanium 20 years ago and decided we had no money to support a research program, the Soviets moved out aggressively and now have the Alpha submarine, a titanium hull. So what we do, the Soviets will do. They will match us and in time, with their tortoise-like, steady growth in defense, they will get there.

And wouldn't that be criminal? At the very time when the Soviets have tactical air at sea that we would in fact be declining in our tactical air component at sea. I think we should move ahead. We should keep it advanced. We should keep it as sophisticated as it has to be to meet the enemy and no more than that.

Senator WARNER. Thank you, Mr. Chairman.

Chairman TOWER. Senator Brady?

Senator BRADY. Senator Tower, I am very impressed with the way Admiral Watkins has answered the technical questions. I am extremely impressed with his answer to the question on the Naval Reserve. I think he will do very well in Washington and in the U.S. Senate.

So I join with my colleagues in supporting his nomination and I congratulate the admiral.

Chairman TOWER. Admiral Watkins, as you know, the Constitution imposes on the Congress equal responsibility with the executive branch for the maintenance of our Army, Navy, and Air Force. Therefore, it has always been our view that we are entitled to unvarnished, professional military judgments when we ask for them.

We do not suggest that a flag officer publicly disagree with the policy established by the administration. However, when we ask for a professional military opinion in our hearings, that is precisely what we

want, whether or not that opinion is consonant with the policy of the administration or compatible with our own views.

Will you always give us your honest, professional conclusions and judgment, professional military judgment, when we ask for it?

Admiral WATKINS. Yes, Mr. Chairman, I will. I have done so in the past and have no intention of changing that modus operandi in the future.

Chairman TOWER. Thank you, admiral. I have a few questions I will submit for the record. If there are no further questions, I would like to close by saying that I know of no appointment to a service command that I have cheered more heartily than yours. I am certainly delighted that the President nominated you and I will support you enthusiastically. I expect your nomination to be favorably reported from this committee.

We look forward to working with you.

[Questions submitted for the hearing record follow:]

QUESTION SUBMITTED BY SENATOR JOHN TOWER, CHAIRMAN

STRATEGY AND THE DEFENSE BUDGET

Senator TOWER. Admiral Watkins, the defense budget has often been criticized for lacking cohesion or a long-term strategic foundation. In response, one observer has claimed that this criticism is prompted by nothing more than the failure of Secretary Weinberger to produce "a new Clausewitz or Mahan overwhelmed with fresh strategic insights to give his budget the pizazz it needs to be more marketable." Could you comment on this debate about the military strategy that underlies the defense budget?

Admiral WATKINS. The defense budget is, in fact, based on a cohesive, long-term strategic foundation articulated very well by Secretary Weinberger in his Annual Report to the Congress for Fiscal Year 1983. The defense budget process, in turn, reflects a continuing analysis of the threat and the strategy required to counter the threat. The defense budget is then formulated directly from this strategy, to produce the forces needed to execute the strategy. In his Report to the Congress, Secretary Weinberger identified two fundamental continuities bounding our defense strategy: its defensive character in support of deterrence, and the importance of U.S. global alliance commitments to over 40 nations. Secretary Weinberger's report then proceeded to draw the appropriate specific conclusions for the defense budget from these basic elements of strategy. For example, given the historic and growing dependency of the U.S. on the seas for trade and support of its allies, Secretary Weinberger concluded that our primary Navy program goal "is to establish and maintain maritime superiority," implying the "clear need for increased U.S. naval power."

If the critics of the defense budget's strategic foundation in fact seek "fresh strategic insights," these are also highlighted in Secretary Weinberger's report: e.g., the importance of rapid response to warning indicators, the need to enhance preparations for military mobilization, the "short war" fallacy, and the need for strategic planning for wartime counteroffensives.

In summary, while critics of the defense budget may disagree with specific budgetary implications drawn from our strategy, the defense budget is indeed cohesive and based on a long-term strategic foundation.

QUESTIONS SUBMITTED BY SENATOR ROGER W. JEPSEN

NAVAL RESERVE SUPPORT OF THE ACTIVE NAVY

Senator JEPSEN. Admiral Watkins, back when you were Vice Chief of Naval Operations you were quoted as saying you could not have made it in the Actives without the Naval Reserve's help or words to that effect. I assume you were talking about a recent time-frame. Would you please explain to the committee the background for making such a statement and some examples of some assistance provided by the Naval Reserve to the Active Force?

Admiral WATKINS. I believe the statement you refer to was the comment I made at the Reserve Officer's Association Mid-Winter Conference during February 1981. While addressing the impact of the significant problem we were then experiencing with active duty personnel shortfalls, I said, "without the Naval Reserve, we would have gone under." Although our active duty manpower situation has improved significantly, the Naval Reserve continues to provide meaningful support to the active forces as a by-product of Reserve training. For example, this expanding "Mutual Support" program includes:

Reserve attack and fighter squadrons providing opposition forces for war-at-sea, fleet air defense, and air-to-air warfare exercises for workup training of deploying battle groups.

Reserve Transport (VR) squadrons furnishing the entire CONUS fleet logistics support effort and also augmenting the MED on a regular basis. Also C–9B's have deployed to WESTPAC to support the U.S.S. *Midway* and Pathfinder (Transpact) movements of Navy and Marine tactical air squadrons.

Reserve Composite (VC) squadrons flying TA–4J aircraft providing 5,060 hours per year of target and Dissimilar Air Combat Training (DACT) services to fleet units.

Reserve Maritime Patrol (VP) Squadrons providing aircrews and P–3 aircraft at overseas deployment sites to supplement fleet operations.

Using Naval Reserve Force (NRF) ships and special boat units periodically in fleet exercises and underway training schedules. They also provide assets for special evolutions, such as the Surface Warfare Officers School ship and the annual Great Lakes Cruise.

Reserve units providing over 64,000 man-days in direct support of ship overhaul and rework projects for active and Naval Reserve Force (NRF) ships at Intermediate Maintenance Level activities.

Supply Systems Command units being assigned projects in stock control, warehousing, traffic management, stock purification, materials identification, and other areas covering the entire spectrum of the Naval Supply Systems Command's tasks and responsibilities.

Reserve Seabee support to active commands which was in excess of 30,000 man-days last year.

CHIEF OF NAVAL RESERVE

Senator JEPSEN. Admiral Watkins, the Air Force and Army Reserve Components have Guardsmen or Reservists as Chiefs of their Reserve Components. It appears to me to make good sense to assign a person to a position who is intimately familiar with the unique characteristics of the double life as a citizen and Armed Serviceman of the Reserve Component. What is your feeling of appointing of Reservists, either TAR or Selected Reserve Flag Officers, as Chief of Naval Reserve and his Deputy for Air and Surface, with the Chief of Naval Reserve being appointed by the President as is the case with the other Reserve Components mentioned?

Admiral WATKINS. In my opinion the Naval Reserve should continue to be headed by a Regular Navy flag officer. The Naval Reserve is a strong viable organization and has the capability to respond to its mobilization requirements. This capability has been achieved due to the balance provided by the current organizational structure. TAR flag officers are assigned as Deputies to the Chief of Naval Reserve and provide the insight to the unique characteristics of the double life of our Reservists. The Chief of Naval Reserve, a Regular Navy flag officer, provides the needed interface with the active Navy community. The structure blends a mixture of active duty Regular and TAR personnel with the Selected Reservists thus comprising a true "One Navy" force.

ADEQUATE MANNING

Senator JEPSEN. Admiral Watkins, what do you consider the greatest challenges to adequately manning your service in the 1980's?

Admiral WATKINS. We are facing a combined challenge of increasing our manpower force to man a 15 Carrier Battle Group Navy, while at the same time eliminating the current petty officer shortage and providing the additional petty officer inventories needed to successfully meet this expanded fleet requirement. In order to successfully meet this challenge, we must sustain the success we are currently experiencing in recruiting and retention. We can meet this challenge with your continued support. With respect to recruiting, we must con-

tinue to bring in the proper numbers of high quality personnel who can be trained, and who will fulfill their active duty commitments. Meeting this challenge will become more difficult as the available supply of quality manpower dwindles and the economic health of the private sector improves. In the retention success we are experiencing today. Specifically, our goals of 47 percent in the first term, 67 percent in the second term and 98 percent in the third term must be met. More importantly, we must retain our enlisted members in the ratings judged critical to readiness and war fighting capability.

Your continued support of comparability pay raises, special pays and bonus programs and our recruiting program will help ensure that we meet this challenge. On our part, we will vigorously pursue efficient and cost effective personnel management policies, as well as aggressive leadership and motivational initiatives within the total personnel support programs sought in the budget submission. With your support of equitable pay, benefits, and personnel support programs, Navy can meet the challenge of providing the enlisted force necessary to man a 15 Carrier Battle Group Navy.

SELECTIVE REENLISTMENT BONUS PROGRAM

Senator JEPSEN. Admiral Watkins, we have seen an unprecedented growth in the size of the Selected Reenlistment Bonus program in the last 4 years. Since 1978 the program has grown from $250 million and is projected to climb to over $1 billion in fiscal year 1983. The Navy receives over half of these funds. To what do you attribute the growth in this program?

Admiral WATKINS. Growth in the Selected Reenlistment Bonus (SRB) Program was necessary beginning in fiscal year 1978 in order to overcome our petty officer shortfall in critical skills, particularly in sea intensive ratings, and will level off in fiscal year 1983 and beyond. The growth in Navy's Selective Reenlistment Bonus Program is critical element of our strategy to reduce our petty officer shortage and simultaneously provide the experienced petty officer base to man our expanded fleet. In fiscal year 1982, we will increase petty officer strength by 13,300 and reduce the petty officer shortfall to 18,000. In fiscal year 1983, we will increase petty officer inventories an additional 15,000. The fiscal year 1983 SRB program will yield 3,000 petty officers over the fiscal year 1982 program and is essential if we are to meet our inventory goals. The SRB program continues to remain our most cost effective method of retaining trained manpower. It permits the selective targeting of scarce resources to skill areas with the severest shortages.

GROWTH OF BONUS PROGRAMS

Senator JEPSEN. What are the implications on the institutional structure of the pay system?

Admiral WATKINS. I am concerned over the implication the bonus programs have on institutional values associated with military service. Bonus programs are uniquely designed to correct retention shortfalls in selected skill areas. By their nature, bonus programs address specific problems—skill shortages, with a single solution—more money.

I think we can all agree that bonuses are effective for correcting specific retention problems and are a most useful adjunct to our compensation system. The strength of the military compensation system, however, rests on the principles of maintaining pay comparability with the private sector and providing a pay system that is predictable, reliable and perceived as adequate by the member.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

INCENTIVES

Senator COHEN. Admiral Watkins, we heard from Admiral Hayward last year about the hemorrhage in the Naval career force. He told us a couple of months ago that the personnel picture looks much better this year. What is your perception of today's manpower situation? To what do you attribute today's manpower gains, and what incentives and programs do we need to keep the positive momentum rolling?

Admiral WATKINS. I agree with Admiral Hayward that the personnel picture looks much better this year. In fact, it is the best that I have seen for a number

of years. Our success is the result of improved recruiting and retention in combination with reduced attrition.

In recruiting, as of the end of April, we have successfully made our recruiting goals for the 29th month in a row. At the end of April we had recruited over 48,000 personnel and are well on track to meeting our fiscal year 1982 goal.

Furthermore, we have increased our nonprior service male quality targets this year as follows: High School Diploma Graduates 73 percent, as compared to 72 percent for fiscal year 1981; 62 percent Mental Group I–IIIU, as compared 60 percent for last year; and we have reduced our Mental Group IV ceiling from 13 to 12 percent.

In retention we have set ambitious goals of 47 percent 1st term, 67 percent 2nd term, and 98 percent 3rd term. They are achievable and in the aggregate we have exceeded them, with fiscal year 1982 data through March, reflecting 55.8 percent First Term, 69.7 percent Second Term, and 95.8 percent Third Term. Although some drawdown is anticipated during the summer months we do anticipate achieving our goals.

In attrition, we have seen continued improvement over the past years from 9.3 percent in fiscal year 1980 to 8.9 percent in fiscal year 1981. Similarly, desertion rates and unauthorized absenteeism have shown a reduction over this time last year and 18 percent fewer incidents per thousand of Unauthorized Absenteeism over this time last year. Other positive indicators are reflected in requests to remain on Sea Duty. So far this year, the number of requests to remain on Sea Duty has increased by 25 percent over the same period last year. Also there have been 8.7 percent fewer requests than last year for Transfer to the Fleet Reserve.

I attribute this success to the two real growth pay raises approved for fiscal year 1981 and fiscal year 1982, to the compensation initiatives passed by the 96th and 97th Congresses, the support for our fiscal year 1980 and fiscal year 1981 recruiting and advertising budget, and conditions of the national economy. I must also mention that the new infusion of price and professionalism generated by our Navy's leadership, the Administration, Congress, and the American people has greatly contributed to the success we have seen.

We must not let this momentum falter. We need your continued support for equitably pay adjustments, budgeted bonus programs, recruiting and advertising resources, and proposed legislative initiatives. Finally, we need your support of requested strength levels for fiscal year 1983 and beyond. With the current momentum and your support of the aforementioned items, we will be able to increase the inventories needed to man the 15 Carrier Battle Group Navy.

PETTY OFFICER SHORTFALL

Senator COHEN. Admiral Watkins, what is today's petty officer shortfall and what are the trend lines for the future?

Admiral WATKINS. The petty officer shortfall as of the end fiscal year 1981 was 22,000. I am pleased to say that we should be able to reduce this shortfall to 18,000 by the end of this fiscal year and, with your continued support of our compensation initiatives, completely eliminate the shortfall by 1990. We are accomplishing this reduction in the petty officer shortfall at the same time that we are increasing our petty officer requirements by significant numbers to man the 15 Carrier Battle Group Navy.

PERSONNEL POLICIES

Senator COHEN. Admiral Watkins, what personnel policies will be needed if we are to meet the manpower requirements of a 600 ship Navy?

Admiral WATKINS. We will emphasize a number of personnel policies in order to meet the manpower requirements of a 600 ship Navy which include:

Continued emphasis on enlisted and officer retention. Enlisted retention goals of 47 percent first term, 67 percent second term and 98 percent third term have been established.

In recruiting there are two key policies. First, our long term strategy calls for expanding the Delayed Entry Program to about half of the expected annual accession goal. Second, we will sustain our program of recruiting 12,000 prior service veterans each year. The prior service accession will provide a source of petty officers who can be immediately applied to our fleet shortages.

As our inventories increase, we have management policies designed to insure that imbalances in the form of surpluses and continued deficits are not exacerbated. These policies include:

Emphasis on assignment of personnel to "A" School training and non-designated rating training to insure the proper input into each skill area.

Aggressive control of reenlistments and forced conversions to ensure that a proper balance is maintained among skill inventories.

SKILL SHORTAGES

Senator COHEN. About a year and a half ago, we approved sea and submarine pay improvements to address specific skill shortages. What has been the impact of those benefit improvements? In what skill areas do you now face shortfalls, and what steps do you recommend to address them?

Admiral WATKINS. We have observed the positive effects of the military pay bills enacted by the last two Congresses. Navy has met its enlisted recruiting goals in each of the last 2 fiscal years. Even though a shortfall in recruiting for Nuclear Propulsion Officer Candidates (NUPOC) was again experienced in fiscal year 1981, we expect a significant improvement in this area in fiscal year 1982. Retention was up in all categories in fiscal year 1981 and is continuing to improve. While these improvements can be attributed in part to the economy, there are two significant aspects of improvement that demonstrate the benefits of a compensation system geared to the special demands of military life. Improved sea pay has encouraged additional personnel to request assignment aboard ship as follows:

58 percent increase from fiscal year 1980 to fiscal year 1981.

25 percent increase from April 1981 to April 1982.

Requests for sea duty as reenlistment incentive.

30 percent increase from fiscal year 1980 to fiscal year 1981.

24 percent increase from April 1981 to April 1982.

The effects of increased compensation, sea pay, submarine pay, and bonus programs resulted in an improved readiness posture:

"Marginally Combat Ready" or "Not Combat Ready" ships and squadrons.

30 fewer at end fiscal year 1981 than at end fiscal year 1980.

47 fewer at end April 1982 than at end April 1981.

Although recruiting and retention trends appear to be moving in the right direction, the Navy is still significantly short of experienced personnel in some officer specialties and some highly technical enlisted ratings. Navy continues to experience shortages of nuclear power and aviation officers and enlisted senior petty officers in combat systems and mobility ratings. Only a long period of high retention can reverse that situation.

Navy can correct these problems through the continued use of proven bonus programs, and improved management of human resources. The Nuclear Bonus Aviation Officer Continuation Bonus, and Selective Reenlistment Bonus programs have been very successful in improving retention and are most cost effective. Continuation of these programs will provide the discretionary monetary incentives needed to improve retention and increase the inventories of skills needed to man the Fleet planned for the late 1980's.

In addition, Navy efforts will continue to be directed towards improving management of people. These efforts will be focused in two complementary directions: improving the quality of training to ensure that our people have the skills to perform their jobs, and fostering the ability of individual members to function together as a cohesive unit.

FISCAL 1983 PAY FREEZE

Senator COHEN. Admiral Watkins, what would be the impact on the Navy if pay were frozen? What will the impact be if bonus funding is not increased and recruiting funds are cut as provided in the fiscal year 1983 DoD Authorization Bill approved by the Senate?

Admiral WATKINS. A pay freeze now, or even a pay raise significantly below that required to maintain comparability, will send a signal to the military that the country is not committed to providing adequate pay for the military member By definition, the members of armed services make sacrifices, even of their lives, and we are willing to share the Nation's economic burden but not when military members are still at a numerical disadvantage compared to the rest of society. We project a cumulative loss of over 23,000 careerists in the Navy alone by the end of fiscal year 1989 if pay is frozen this year and additive raises are not

provided in subsequent years to restore comparability. These losses will occur during a time when the Navy needs to build the force.

A freeze in the bonus program would also severely affect our efforts to increase the petty officer inventories. Our estimate is that in the worst case Navy will lose about 5,000–6,000 reenlistments in fiscal year 1983 if it becomes necessary to freeze the Selective Reenlistment Bonus Program at fiscal year 1982 program level.

The Senate reduction of Recruiting and Advertising Budget funds has been justified on the basis of the recent success Navy has experienced in recruiting. While Navy has been successful in fiscal year 1981 and thus far in fiscal year 1982, this success was not without cost and is partially attributable to the favorable recruiting environment including the high rates of youth unemployment. We cannot expect these economic conditions to prevail. Cuts we take today will adversely affect us in the future. A similar situation occurred in the mid-1970's when Navy's Recruiting and Advertising Budget was cut severely following a period of adverse economic conditions. It has taken over 4 years of rebuilding to eliminate significant recruiting shortfalls. The Navy Recruiting and Advertising Program is once again in jeopardy. This time, however, there is another element to be considered—that of declining levels of recruitable-age youth.

QUESTION SUBMITTED BY SENATOR JOHN C. STENNIS

PROGRAM REDUCTIONS VS PAY REDUCTIONS

Senator STENNIS. In your summary of U.S. Navy strength, you did not mention surface ships. Would you say that the new *Aegis* cruiser and other ships like it are superior to most Soviet surface ships?

Admiral WATKINS. In my discussion of the five characteristics of our battle groups which I believe most worry the Soviets, I did not go into specific characteristics of individual units which comprise our battle groups because we tend to look at a battle group as an integrated weapon system, built up of the characteristics of each of those units, whether they be aircraft, submarine, or surface combatants. The seven to eight surface combatants which are notionally assigned to each battle group contribute to the battle groups composite weapon capability and the totality of this capability is designed to achieve our specific requirements.

The weapons systems individually, in my judgment, are superior to the individual weapon systems in Soviet combatants, but a comparison of a hull-to-hull basis between Soviet and United States combatants is not really relevant because of the distinctive difference in the missions assigned to the ships. As an example, the offensive punch of a Soviet equivalent of our battle group is contained in ships like *Kirov* and *Kiev*, while the offensive punch in our battle groups (which outranges theirs) is predominantly in the carrier, and increasingly in the Harpoon and Tomahawk-capable submarines, surface combatants, maritime patrol and tactical aircraft. So, I would beg the question with respect to a hull-to-hull comparison between United States and Soviet ships but state unequivocally that the systems in being and being introduced into the U.S. Navy are superior to those in the Soviet Navy. We need to continue to build capable surface combatants such as our *Aegis* cruiser with these new weapon systems and backfit new systems into our newer existing ships so that we maintain our qualitative edge.

Chairman TOWER. Admiral Watkins, thank you very much.

Admiral WATKINS. Thank you, Mr. Chairman.

[Whereupon, at 10:42 a.m., the committee moved on to other business.]

[The nomination of Adm. James D. Watkins was reported to the Senate by Senator Tower on May 19, 1982, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on May 21, 1982.]

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